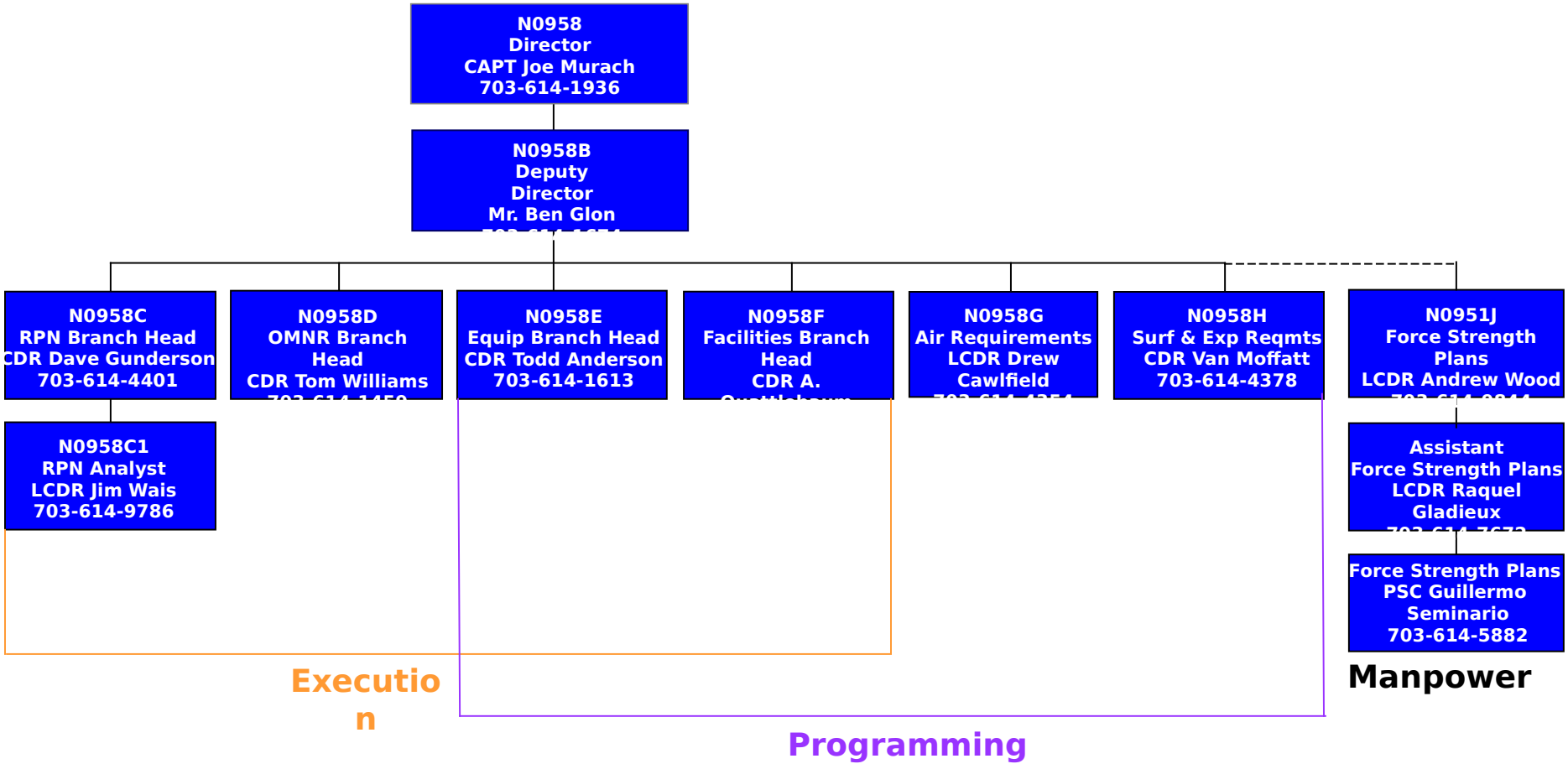
Navy Reserve Finance Update

Presented to
Reserve Flag Officer Training Symposium
30 September 2008

N0958 Organization



Appropriation Sponsor

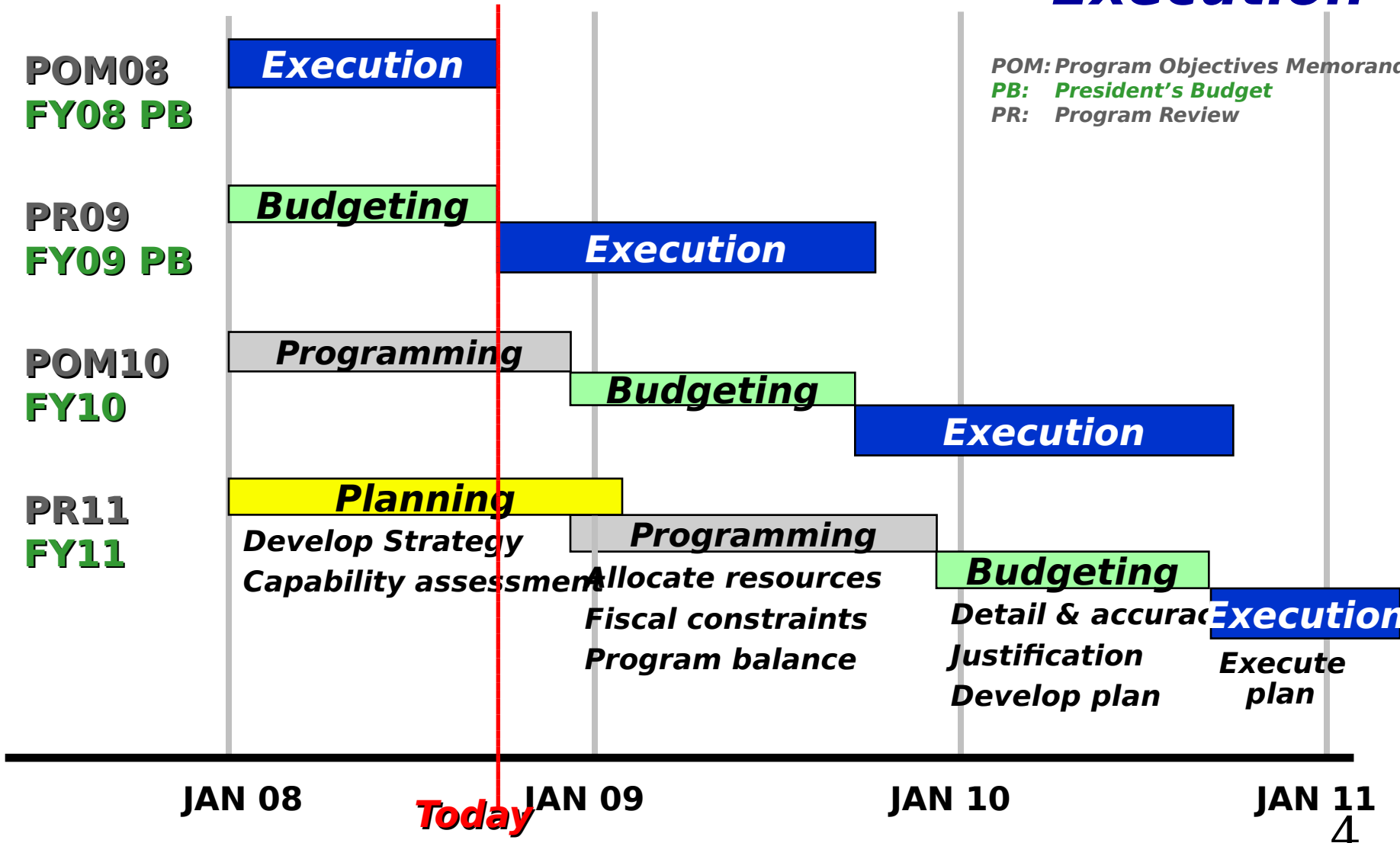
- 10 U.S.C. 5143. Chief of Navy Reserve "responsible for the preparation, justification, and execution of the personnel, operation and maintenance, and construction budgets for the Navy Reserve." CNR is the "director and functional manager of appropriations made for the Navy Reserve in those areas."
- Appropriation Sponsor. Senior executive in DON responsible for supervisory control over designated appropriation with broad decision making authority on matters relating to the appropriation.

	FY2006 $B
RPN	$1.870
OMNR	$1.311
DHANR	$0.240
NGREA	

Not a Resource Sponsor/Budget Submitting Office; CNR does not own this funding

PPBE Process

Planning Programming Budgeting Execution

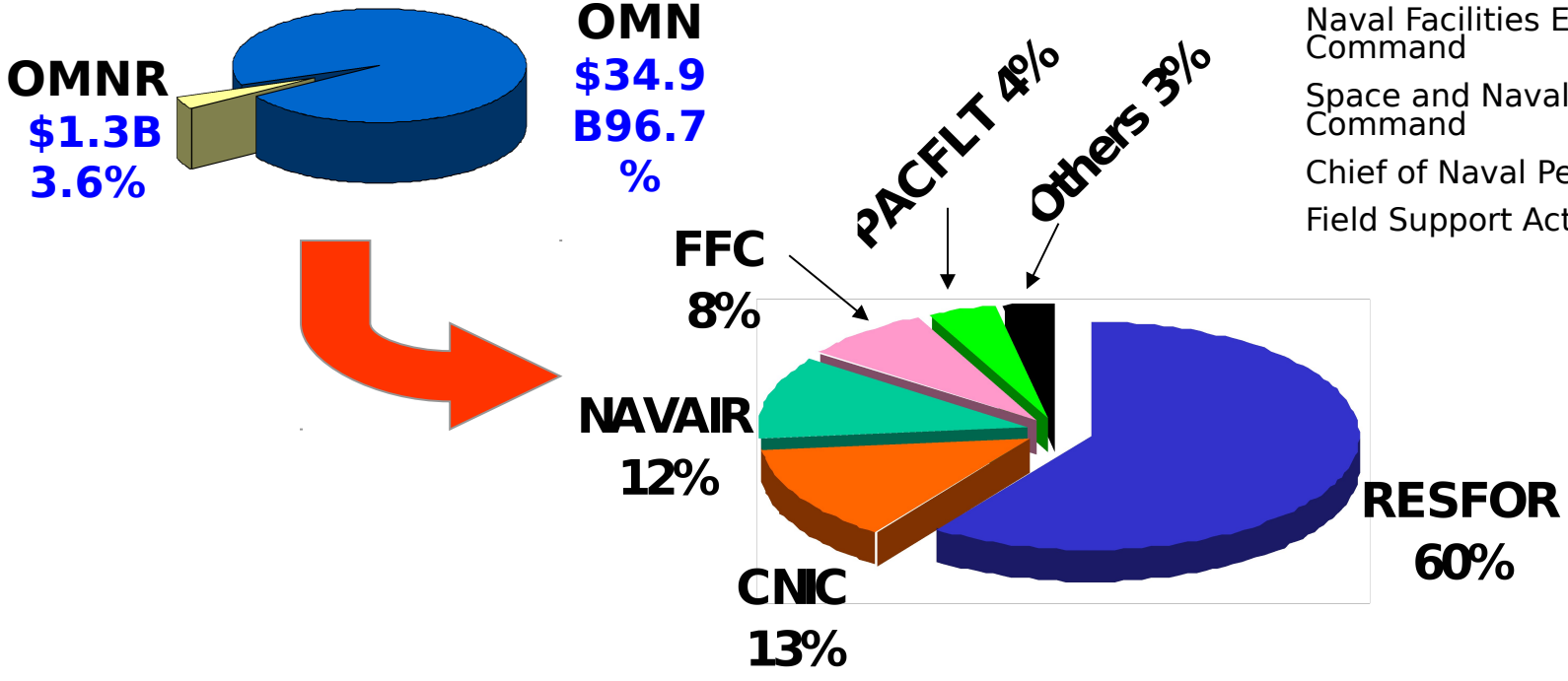


PPBE Course quotas requested through CDR Drew Flavell (N80)

OMNR

Breakdown by BSO

l Navy FY2009 Operations Budget Request: $36.2B



Others Include:

Naval Sea Systems Command

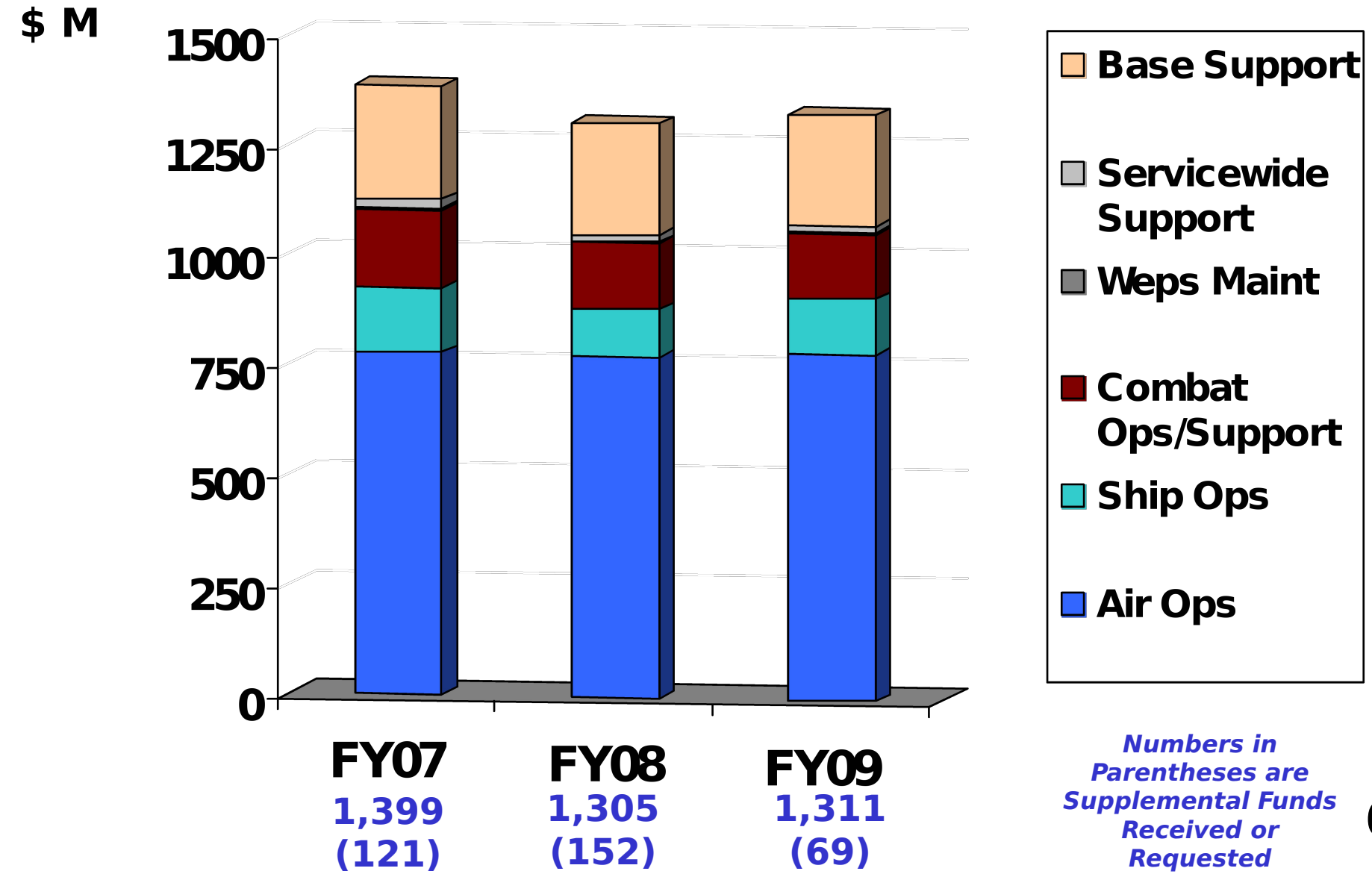
Naval Facilities Engineering Command

Space and Naval Warfare Systems Command

Chief of Naval Personnel

Field Support Activity

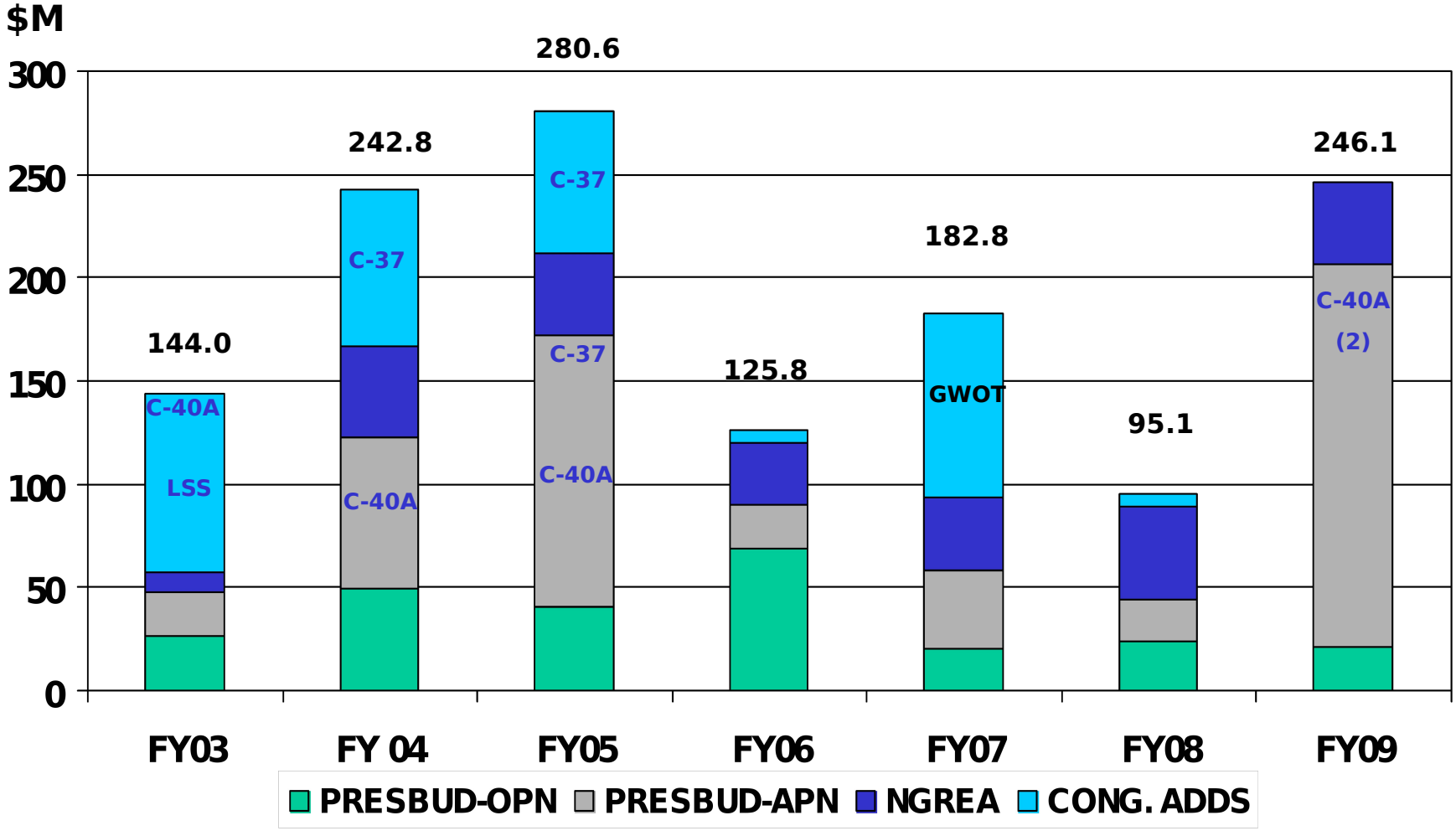
OMNR Budget Structure
Appropriation Funding Profile



Numbers in Parentheses are Supplemental Funds Received or Requested

Navy Reserve Equipment

Reserve Procurement Accounts



Navy Reserve Equipment
Procurement Accounts

Programs and Trends

- 2 C-40As in FY09 PRESBUD and 4 in FY09 GWOT Supp
- Annual National Guard and Reserve Equipment Appropriation (NGREA) has been steady at $30M - $45M per year since FY 04. For FY09, Conference Committee - $37.5M
- Significant expeditionary equipment upgrades have been supported with OPN and NGREA in last three years greatly enhancing capability.

FY 2008 NGREA Allocation

APPN	TITLE (Program)	FY08 ($M)
OPN	Maritime Expeditionary Support Force	0.8
OPN	Explosive Ordnance Disposal	2.0
OPN	Naval Construction Force	20.0
OPN	Naval Expeditionary Logistics Support Group	8.4
APN	C-40A support	8.5
OPN	Surface Warfare Enterprise - 4 boats	3.5
OPN	Navy Net Warfare Enterprise - Remote computer access	1.5
	Total	**44.7**

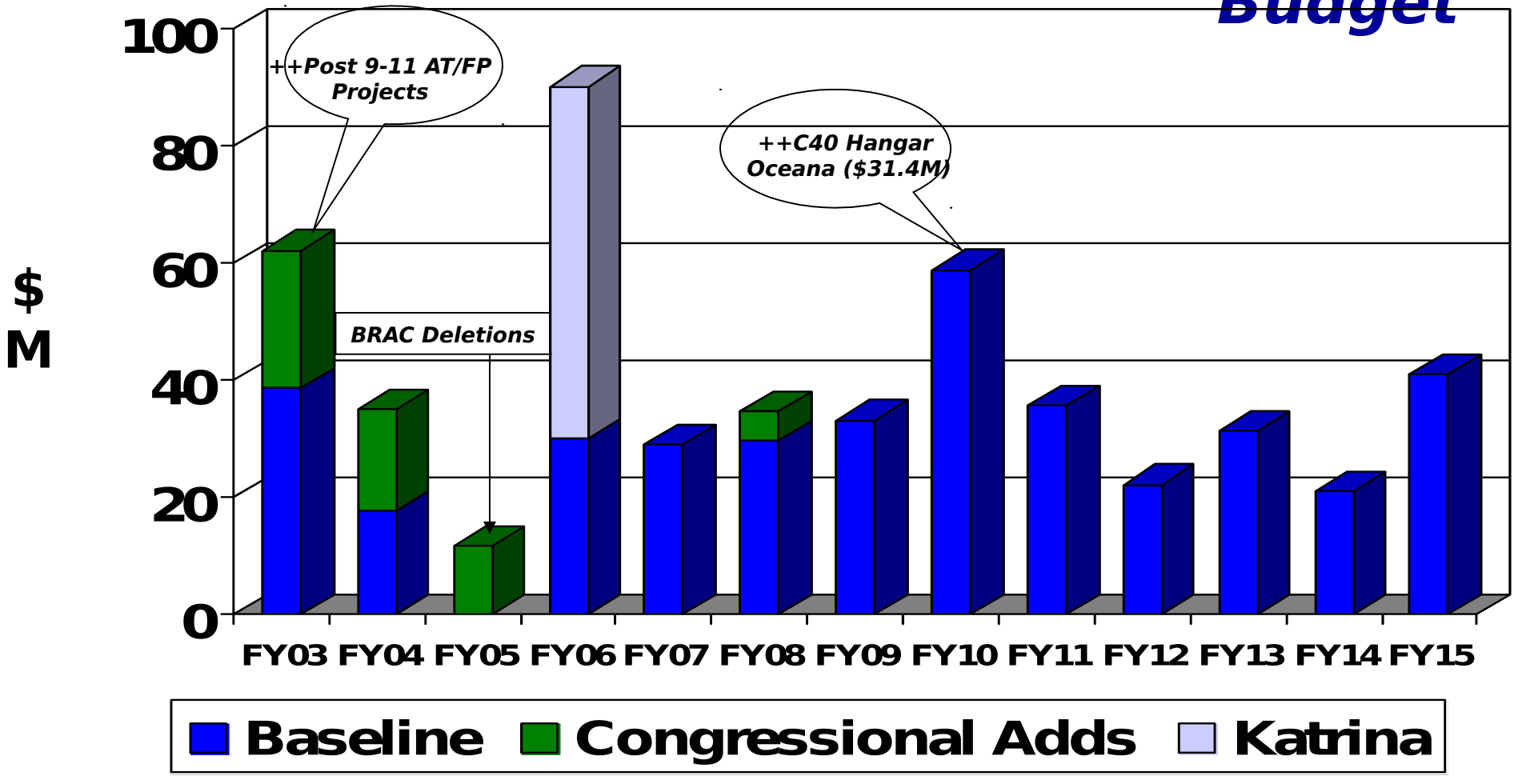
FY 2009 Navy Reserve Unfunded Programs List (UPL)

CNO	APPN	TITLE (Program)	FY09 ($M)
1	APN	KC-130J Procurement #20 CNO's FY 09 UPL	384.0
2	APN	C-40A Procurement and support gear #8 CNO's FY 08 UPL	402.0
3	OPN	Expeditionary Warfare	43.1
4	OPN	Marine Prepositioning Force Utility Boats, Rigged Hull Inflatable Boat (RHIB)	6.6
5	OPN	Information Systems Security Program (Identity Based Access Device - Remote Access)	5.0
6	OPN	FFG propulsion and shaft spares	1.3
7	APN	F/A-18A+ECP-560R4 Upgrade	69.6
8	APN	F-5 Radar/Electronic Attack (EA) Upgrade	148.3
		Total	**1,059.9**

NGREA and Navy's UPLs vetted through Warfare Enterprises, Resource Sponsors, N8, and CNRFC

MCNR

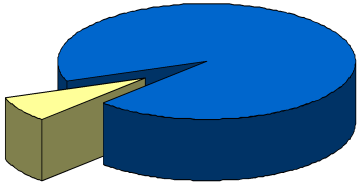
Budget



MCNR historically 3% of MCN ~ $30M per year

Reserve Personnel, Navy
Major Categories Overview

otal Navy FY 2009 Personnel Budget: $26.0B



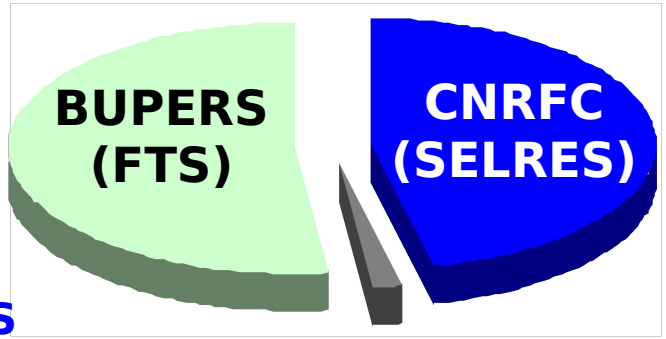
RPN

$1.9B

7%

MPN
$24.1
B
93%

$943M
50% $$
17% E/S



$888M
48% $$
83% E/S

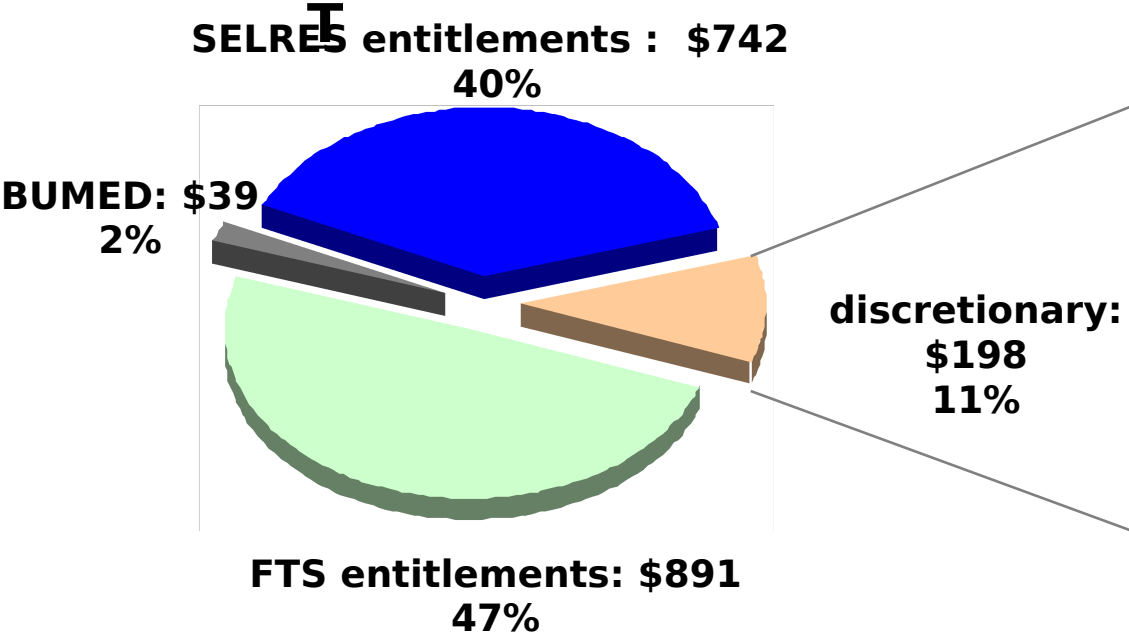
BUMED
(AFHPSP)
$39M
2% $$
0% E/S

Reserve Personnel, Navy
Entitlement vs. Discretionary Overview

$M

Total RPN FY 2009: $1,870

ENTITLEMENT



DISCRETIONARY

ADT Fleet Support	$51
IDTT	$16
Additional Drills	$36
ADT Schools	$35
Mobilization Training	$ 8
ADOS (Formerly ADSW)	$14
PCS	$38

RPN discretionary funding is 11% and the only funding available for potential reductions, which impacts Fleet Support.

FY 2009 Congressional Adjustments

$M	HAC	SAC	CONF
OMNR	-38	-1	-3
RPN	+4	-4*	-14
APN (2 C-40s)	+155	+155	+155
NGREA	+50	+40	+38

*RPN SAC Marks: -$14M Pay Group A Training Unjustified Growth

+$10M Retired Pay Accrual

GWOT Supplemental

FY 2007/2008/2009

$M	Received FY 2007	Received FY 2008	Requested FY 2009
RPN	86	74	46
OMNR	122	152	69*
APN / OPN	89	4	395
Total	296	230	507

**Does Not Include $114M Fuel Re-Pricing Increase*

Support for RC GWOT Supplementals positive except for Recruiting & Retention initiatives.

FYDP Program Changes

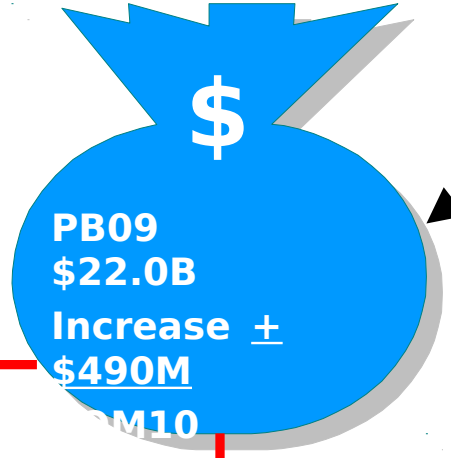
Reflects RC changes between PB09 to POM10

OMNR (PB09 $7.7B) + $48.2M

- Air Operations + $139.6M
- Ship Operations + $78.6M
- Combat Operations + $19.6M
- Weapons Support N/C
- Servicewide Support - $14.0M
- Logistics Ops+Tech Supt +21.0M
- Base Operating Support + $178M
- Facility Sust/Rest/Mod + $120M
- Enterprise Info Tech - $495M

MILCON (PB09 $184.5M) + $25.7M

- MILCON +$25.7M



MilPers (PB09 $14.1B) +$416M

- Reserve Personnel, Navy +$475M
- Defense Health Accrual, Reserves -$59M

POM10

RPN FMB Summer Review

- **Programming Rate Adjustment Received: $74.0M FY2010 / $572.0M FYDP**
- **Summer Review FMB Actions:**
  - **Program Reductions (funding profiles would not pass OSD review)**

	FY2010	FYDP	
• **Reserve Incentive Programs:**		$ 2.0M	$12.0M
• **Participation Rates:**		$10.0M	$69.0M

  - **Program Increases (net of above reductions and realignments)**

	FY2010	FYDP	
• **Officer Retention Bonus:**		$ 5.4M	$ 32.0M
• **Special Duty Assignment Pay:**		$11.9M	$ 71.4M
• **ADT Special:**	$10.0M	$ 74.7M	
• **ADT Schools:**	$ 7.0M	$ 42.0M	
• **IDTT:**	$ 2.0M	$ 12.0M	
• **Unified Legislative & Budgeting (ULBs):**	$15.0M	$120.0M	

  - **Transfers**

	FY2010	FYDP	Details	
• **Health Professional Scholarship Program:**		$ 7.6M	$55.0M	RESFOR to BUMED
• **Individual Medical Readiness:**		$ 3.4M	$18.0M	RPN to OMNR
• **Corporate Navy:**	$17.5M	$69.1M	Corporate Navy	
• **Health Profession Recruiting/Retention:**		$ 9.5M	$77.5M	OMNR to RPN

Take – Aways

- ADT
  - During PR11, commands need to provide an offset for increased requirements
- Procurement
  - C-40A
    - 2 in FY2009
    - 4 in FY2009 supplemental
    - 2 in FY2010
    - 2 in FY2011
    - 2 in FY2012
  - KC-130J
    - 14 across FYDP starting in FY2010
  - NECC received 67% of NGREA funding in FY2007/2008
- NOSC funding
  - Improved coordination with CNIC has increased Base Operating Support and Facility Sustainment, Restoration, and Modernization funding